Before the
Federal Communications Commission
Washington, DC 20554

In the matter of: In Re: Delete, Delete, Delete	GN Docket No. 25-133

COMMENTS OF ON-TECH CONSULTING, INC.
IN RE: DELETE, DELETE, DELETE

On behalf of On-Tech Consulting, Inc. ("On-Tech"), we respectfully submit these comments to the Federal Communications Commission ("FCC") in the above referenced proceeding.

On-Tech is an E-Rate consulting firm in business since 2003. As such, we go through the E-Rate application process many times each year, and see repeated pain points and wasteful over-regulation of the program.

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Regulation of Purchasing

The most wasteful regulation in the E-Rate is the FCC regulation of the purchasing practices of local organizations. School districts and public libraries are already covered by considerable state purchasing law, and market forces encourage private schools to purchase cost-effectively. In addition, this is a discount program, so all applicants have some skin in the game. The FCC's additional regulations are unnecessary.

If the complexity of the E-Rate purchasing regulations were removed, more entities would take advantage of the program, and fewer applicants would lose funding to administrative errors. Meanwhile, there is no evidence that the FCC regulation of purchasing has resulted in lower prices or less waste, fraud and abuse. There are two concrete steps the FCC should take to

remove this over-regulation: abolish the Form 470 and stop requiring contracts before filing the Form 471.

Abolish the Form 470

The most powerful step towards removing the regulations that the FCC has laid over state and local regulations would be to abolish the Form 470.

The Form 470 doesn't work. In vendor-dense regions and for large organizations, applicants will receive bids in response to a 470, but those applicants would receive bids in any case, following state law. In vendor-sparse regions and for small applicants, the 470 does not generate any quality bids

The Form 470 does, however, generate spam bids. Every year, a set of vendors sends out bulk mailings of their price list to all Form 470 contacts. And the spam does not stop there. We have received spam for email addresses that were used on one Form 470, 15 years earlier. Since EPC requires that a user put their email address on the form, vendors use USAC Open Data to download thousands of email addresses.

The Form 470 also trips up applicants. As an example, the Meraki MA-CBL-40G-50CM is a cable with SFP modules at each end, which fits into module slots in two switches, stacking them. On the Form 470, applicants must categorize it as a Module or Cabling. Is it a module? Yes, two modules in fact. Is it a cable? Yes. But if an applicant chooses "Module" on the Form 470, and the PIA reviewer sees "CBL" in the SKU and decides it's cabling, then it's not fundable because it wasn't described as cabling on the 470.

If the FCC insists on keeping the Form 470, at least make it optional for small purchases. Many states, as well as the Federal government, have quote and bid threshold. If the cost of a purchase does not make the quote threshold, no quotes are required. Current Federal regulations

consider any purchase under $10,000 to be a micro-purchase, not requiring any collection of bids. Purchases between $10,000 and $250,000 fall under the simplified acquisition threshold; at least three quotations are required for those purchases. Above $250,000, a formal bid process is required.[12] If the FCC wants to continue to regulate the purchasing process of applicants, it could apply those standards, and require a Form 470 only for purchases over $250,000.

Don't Require a Contract

FCC Rules require applicants to have a signed contract before filing the Form 471. Why? It's not as if funding is disbursed before service is delivered. Applicants should have documentation to support the price on the 471, but that could be a proposal or a catalog page.

For many, perhaps most, applicants, it is illegal to sign a contract in March for services that occur in the following fiscal year, because the applicants do not yet have a budget for the following fiscal year. The current kludgy solution is to allow applicants to make purchases contingent on budget approval. The simpler solution is to allow applicants to file without a contract.

Not having to sign a contract also gives the applicant more flexibility in purchasing. Category Two purchases are sometimes actually made more than a year after the Form 470 is submitted. In that time, network equipment often decreases in price, or superior equipment becomes available. In Category 1, some applicants are setting a price in March for service that will start in October; the cost of bandwidth often drops in that time. It's extremely unwise to lock into a contract in advance for equipment or bandwidth, since the price tends to fall over time.

[1] F.A.R. 2.101 Definitions. https://www.acquisition.gov/far/2.101
[2] F.A.R. Part 13. https://www.acquisition.gov/far/part-13

Changes to the Filing Process

The filing process in current FCC regulation is onerous enough that it causes potential applicants to forego funding rather than go through the hassle. The process could be simplified in a number of ways.

Eliminate the Filing Window

The filing window was originally created to deal with demand being higher than the available E-Rate funding. Since the FCC created Category Two budgets that are much too small to meet applicant needs, the program no longer has unmet demand. The filing window no longer serves a purpose.

Applicants should be able to file for funding when they identify a funding need, whether that be in March or August or December. This will allow applicants to get the best pricing on bandwidth and equipment.

The filing window deadline is waived by the FCC more commonly than any other deadline, suggesting that the rule is inappropriate.

Eliminate the Funding Year

With no need for a filing window, there is no longer any need for Funding Years. Under the funding year system, applicants are often simultaneously managing different tasks from three funding years, which creates confusion.

Currently, applicants are forced to create two funding requests for annual contracts that cross funding years. Without funding years, applicants would be able to start annual contracts at the time that makes sense for them without increasing their administrative burden.

With funding years gone, applicants could set service delivery times based on their project timeline, not based on the beginning and end of the funding year.

Without the constraints of the funding year, USAC could issue multi-year funding approvals for multi-year contract, rather than the current wasteful process of applying every year for funding for a contract that's already been approved.

Simplify the PIA Process

The Program Integrity Assurance (PIA) process is the most difficult part of the application process. Applicants often complain that PIA is worse than any audit for a normal grant program. The difficulty of the process discourages potential applicants, especially small organizations, from applying. Several steps can be taken to make the process less onerous.

Reduce the Secrecy

Currently, the rules by which PIA is conducted are entirely secret. That is, applicants have no idea what the standards are by which their applications are being judged, nor do they know how to answer questions they're being asked.

The first step in simplifying PIA is to publish the PIA procedures that the FCC approves every year, or at least most of the rules. Let applicants know what they can do to make their applications get through PIA most efficiently, to avoid the wasteful time spent by PIA reviewers and applicants clearly up issues that could have been avoided, had the applicants known the rules they are expected to abide by.

A good example of where openness could reduce wasteful application processing is Cost Effectiveness Reviews (CERs). Currently, the only published rule is that applicants shouldn't buy "routers at prices two or three times greater than the prices available from commercial vendors."[3] But based on experience, we know that CERs have been triggered by other criteria. If

[3] Ysleta Order, FCC 03-313, paragraph 54. https://www.fcc.gov/document/ysleta-independent-school-district-el-paso-texas-et-al

applicants knew what the rules were for triggering a CER, they would try to file applications that complied with the rules. As it is, applicants have no way of knowing what the rules are, so they cannot try to comply.

There are certainly rules in the secret PIA procedures that commenters in this docket would like to have removed, but we are unable to comment on those regulations, because those hundreds of pages of regulations are kept secret.

Simplify PIA for Small Requests

It is not cost-effective to subject small funding requests to the level of scrutiny involved in a PIA review. The review of requests for $3,000 or less in funding should be subject to only a minimal level of review.

Allow Duplicative Services

In IT, redundancy is not wasteful; it is a best practice. The Internet is so crucial to learning in schools and library operations that no entity should be relying on a single connection to the Internet. A well-designed IT infrastructure minimizes single points of failure. This means, for example, having a stand-by firewall ready in the event of a firewall failure. Key components throughout the network should be redundant in order to provide network resilience.

Enforcement of duplicative services has made it difficult for applicants to cut over from one broadband service to another. Ideally, there should be an overlap of service, so that the network can fall back to the old service if the cutover does not go smoothly. Eliminating the duplicative services rule would allow applicants to implement this best practice.

Eliminate Locations

There is no reason for the FCC to track locations. Currently, some entities are organizations, while other entities are locations. Locations were important when Priority Two

budgets were assigned per building. Now that Category Two budgets are organization-wide, there is no reason for locations.

Removing locations would simplify many areas of the program, removing two screens in the Form 471 process, eliminating the need to file a Form 500 when moving equipment from one location to another, bringing an end to the confusion over the meaning of "entity."

Make Firewalls Eligible

The firewall market has changed since the FCC made basic firewalls eligible. There are now no commercially available devices that meet the definition of basic firewall. As a result, applicants must cost-allocate out the parts of the firewall that are not "basic." Applicants are surprised and puzzled when their application reaches PIA, and their firewall is only partially eligible, even though firewalls are on the Eligible Services List. Even worse, PIA asks applicants what portion of the cost of their firewall should be cost-allocated out; most applicants do not know where to find that information.

The FCC should update regulations to reflect the current firewall market. The functions that are part of a typical commercially available firewall should be eligible for E-Rate funding.

Simplify the Forms

The regulations that affect applicants most directly are the forms that must be filled out. The forms are longer and more puzzling than they need to be.

Form 470

As described above, the Form 470 should no longer be required.

Form 471

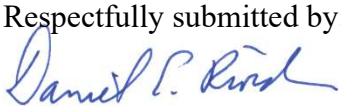
There are several small steps that could be taken to make the form quicker and easier to complete.

1. Combine the three Entity Information screens into one. Applicants cannot change the information on those screens, so they should not have to wait while three pages are submitted.
2. Remove the beneficiaries of service screens for single-location entities. Applicants are forced to click through two screens for every FRN line item where no changes can be made. These screens would be unnecessary if the FCC stopped tracking location.
3. Items 1 and 2 would be simpler or entirely unnecessary if the FCC didn't concern itself with locations, as described above.
4. Pre-populate all numerical blanks with zeroes.
5. On the certification page, remove the "Total budgeted amount allocated to resources not eligible for E-Rate support" item. Applicants are required to calculate that number with no guidance on how to calculate it. Should it include part of the Network Administrator's salary? The cost of the floor space taken up by the equipment? The cost of air conditioning? The answer: it doesn't matter. USAC pays no attention to this number. It is a pointless waste of time.

Form 486

The Form 486 should be removed from the process. The CIPA certifications can be moved to the Form 471. The service start date can be found on the Form 471, so there is no point in forcing applicants to fill out a form to repeat that information.

Respectfully submitted by:



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